Labour Market Notes

Job losses continue yet moderate

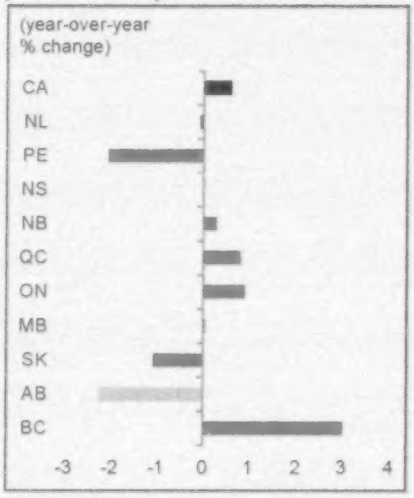
Alberta

- Fewer jobs lost. Alberta employment fell by 1,900 in June, the third straight monthly decline but well below losses in the previous two months. Year-to-date, Alberta has lost 36,500 jobs.
- Declines limited to the public sector. The private sector (+1,200) and self-employment (+9,600) both added to total employment. Conversely, the public sector trimmed 12,700 jobs. All of the jobs lost were full-time (-7,100), with part-time positions providing some offset (+5,100).
- Goods industries continue to struggle. Six months into 2016, on a year-to-date (YTD) basis the hardest hit industries in terms of employment include Agriculture (-23%), Manufacturing (-16%), Forestry, Fishing, Mining, Oil and Gas (13%), as well as Accommodations and Food Services (10.3%). Some service industries have bucked the trend and posted YTD employment growth including Educational Services (9.9%), Info Culture and Recreation (9.6%) and Trade (5.6%). YTD, service sector employment remained up by 1.7%, while goods sector employment was down 9.5%.
- Unemployment rate inches up. Alberta's unemployment rate ticked up 0.1 percentage points to 7.9 per cent in June, over a full percentage point above the national average. A declining labour force participation rate helped limit the impact of the employment cuts on the unemployment rate.
- Employment still weaker than the previous year. Employment fell by 2.2% y/y in June, equivalent to 51,600 fewer jobs than a year ago.
- Earnings down slightly. Average Weekly Earnings (AWE) was down 0.2% from the previous month to $1,127 in April. On a year-over-year basis, earnings were down 2.4%, the eleventh straight month of lower earnings compared with the prior year. Service sector earnings weakened further (-1.9% y/y) while goods sector earnings were nearly unchanged. Employment declines in the high-pay mining, quarrying, oil and gas extraction industry continue to weigh on earnings.

Canada

- Most provinces lose jobs . Employment fell by 700 in June. Quebec led the provinces in losses (-11,200), followed by Ontario (-4,200). British Columbia added 16,000 jobs. Year-over-year, Canadian employment remained up 0.6%.
- Unemployment rate ticks down. The Canadian unemployment rate fell 0.1 percentage points to 6.8% in June.
- Canadian earnings down from March. Canadian average weekly earnings (AWE) were down 0.3% from the previous month to $956 in April. All provinces experienced monthly declines in AWE apart from Saskatchewan, Manitoba and British Columbia. Year-over-year, Canadian earnings remained up 0.2%.

Employment Growth by Province, June 2016 vs. June 2015



Source: Statistics Canada

Alberta Labour Market Indicators

Indicator	Latest*
Employment	2,249,600
month-over-month change	-1,900
year-over-year % change	-2.2%
Alberta Unemployment Rate (LFS)	7.9%
Edmonton UR**	7.0%
Calgary UR**	9.3%
Participation Rate	71.6%
Average Weekly Earnings (AWE)	$1,126.62
year-over-year % change	-2.4%
Average Hourly Wage	$29.45
year-over-year % change	+1.9%
Job Vacancy Rate***	1.4%

Source: Statistics Canada

* All data is from the June 2016 Labour Force Survey, except AWE which is the April 2016 Survey of Employment, Payrolls and Hours, and the Job Vacancy Rate is for March 2016.

** This indicator is calculated as a three-month moving average and is seasonally adjusted.

*** This indicator is calculated as a three-month moving average and is not seasonally adjusted.

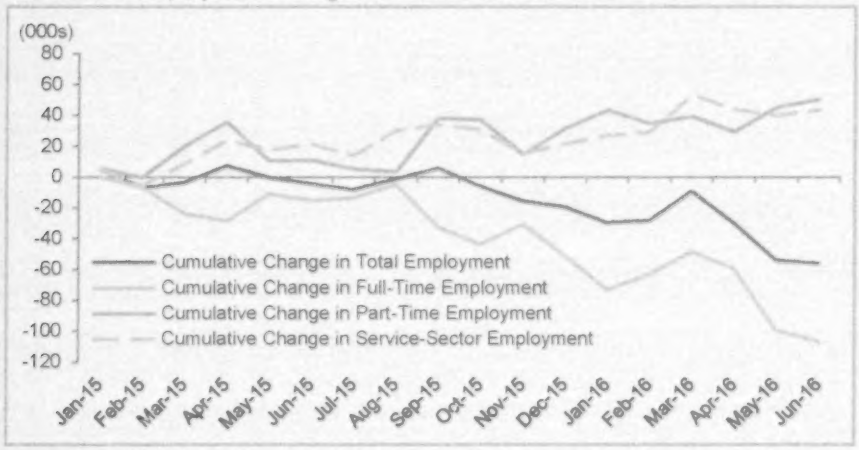
Growing part-time employment amid the downturn

Alberta's labour market has weakened in the current downturn. While full-time employment has fallen, part-time service-sector employment has risen, mitigating overall losses. Workers are also coping by accepting part-time jobs. This Labour Insight looks at part-time employment growth during the current recession.

Part-time employment cushions losses

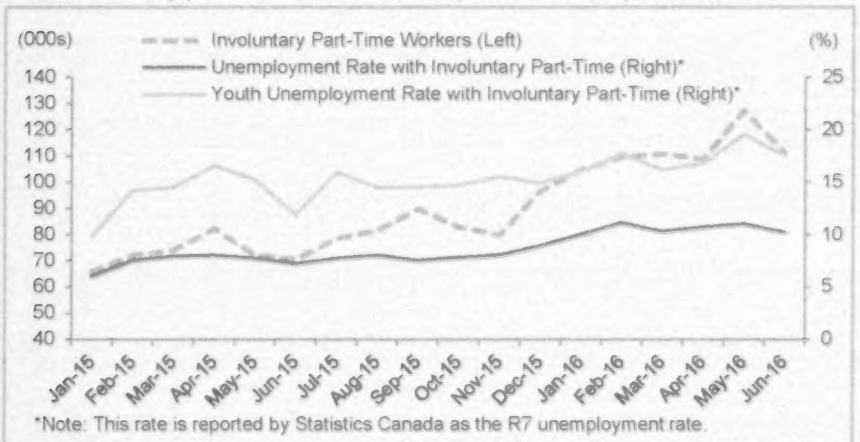
Alberta's labour market has borne the brunt of low oil prices. Thousands of employees have been laid-off, in and outside the energy sector. The unemployment rate has climbed from 4.8% in January 2015 up to 7.9% as of June 2016, its highest level since the mid-1990s. Full-time employment has absorbed the bulk of job losses, whereas part-time employment has actually grown. The province has lost over 106,000 full-time jobs since January 2015 (Chart 1). Conversely, part-time employment has risen by over 50,000 positions over the same period, helping to mitigate the impact of overall job losses.

Chart 1: Service industries have propelled part-time emplyment gains
Cumulative employment changes since December 2015



Source: Statistics Canada

Chart 2: Involuntary part-time rate is increasing
Total involuntary part-time workers and adjusted unemployment rates



*Note: This rate is reported by Statistics Canada as the R7 unemployment rate.

Source: Statistics Canada

Service sector offers support

The services-sector tends to rely more heavily on part-time employment, and has been instrumental in creating jobs – even if on a part-time basis – as Alberta's labour market weathers the current recession. Service-sector employment has grown by nearly 44,000 jobs since January 2015.

Full-time vs. part-time jobs

Despite supporting the labour market during the current downturn, part-time employment gains also indicate labour market underutilization. Involuntary part-time work fluctuates with unemployment, as workers are compelled to take part-time jobs during downturns. The number of involuntary part-time workers in the province, or those who would prefer full-time jobs, has risen by over 45,000 in the past eighteen months. This is captured by a broader measure of unemployment that includes the official unemployment rate and involuntary part-time workers, and offers a more holistic measure of underutilized resources. According to Statistics Canada, this rate has increased from 6% in January 2015 to 10.2% in June (Chart 2). For workers between the ages of 15 and 24, the cohort that often suffers most during recessions, the rate has increased even more, from 9.8% up to 17.5%.

Have a question or idea for Labour InSight? Send us an *email*.

Contact

Nachum Gabler 780.638.3238